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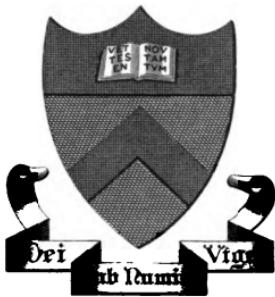
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**ANNEX**

# CONSTITUTION

OF THE

## (City) NEW YORK STOCK EXCHANGE,

AND

RESOLUTIONS ADOPTED BY THE  
GOVERNING COMMITTEE

---

WITH AMENDMENTS TO FEBRUARY 1914

---

NEW YORK:  
SEARING & MOORE COMPANY,  
MANUFACTURING STATIONERS  
24 Beaver Street  
1914.



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# CONSTITUTION.

## RULES FOR THE GOVERNMENT OF THE EXCHANGE.

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AS AMENDED TO  
FEBRUARY 1914

### ARTICLE I.

#### *Title—Objects.*

The title of this Association shall be the "NEW YORK STOCK EXCHANGE." Title.

Its object shall be to furnish exchange rooms and other facilities for the convenient transaction of their business by its members, as brokers; to maintain high standards of commercial honor and integrity among its members; and to promote and inculcate just and equitable principles of trade and business. Objects.

## ARTICLE II.

*Government.***How vested.****Officers of  
Exchange.**

The government of the Exchange shall be vested in a Governing Committee, composed of the President and the Treasurer of the Exchange, and of forty Members, elected in the manner hereinafter provided. The members of the Governing Committee, and the Secretary, shall be the officers of the Exchange.

## ARTICLE III.

*Governing Committee.***Classification.**

SEC. 1. The Members of the Governing Committee shall be divided into four classes, each class consisting of ten members, as follows: first class, to hold office for one year; second class, for two years; third class, for three years; fourth class, for four years.

**Powers.**

SEC. 2. The Governing Committee shall determine the manner and form by which its proceedings shall be conducted; appoint and dissolve all Standing or other Committees; define, alter and regulate their jurisdiction as stated in this instrument; have original and supervisory jurisdiction over any and all subjects and matters referred to said Committees; it may direct and control





their actions or proceedings at any stage thereof, and shall try all charges against members of the Exchange and punish such as may be found guilty. It shall have entire control of the finances of the Exchange and fix the amount of fees and compensation to be paid to members of Committees, to Officers of the Exchange and to appointees of the Governing Committee. It may require of all officers or appointees of the Exchange a good and sufficient bond to secure the faithful performance of their duties. The Governing Committee shall be vested with all other powers necessary for the government of the Exchange, the regulation of the business conduct of its members, and the promotion of its welfare, objects and purposes.

SEC. 3. A Member, who shall be absent from three consecutive regular meetings of the Governing Committee, without having been excused by the President, may be declared by a two-thirds vote of the existing members of the Committee, to be no longer a Member.

Removals  
for absence

SEC. 4. All vacancies occurring in the Governing Committee shall be filled by said Committee until the ensuing annual election.

Vacancies  
how filled.

**Disqualification.**

SEC. 5. No member of the Governing Committee shall be disqualified from participating in any meeting, action or proceeding of any kind whatever of said Committee, by reason of being or having been a member of a Standing Committee or Special Committee which has made prior inquiry, examination or investigation of the subject under consideration. Nor shall any member of any Standing or Special Committee be disqualified, by reason of such membership, from acting as a member of the Governing Committee upon any appeal from any decision of such Standing or Special Committee. But no member shall participate in the adjudication of any case in which he is personally interested.

**Quorum.**

SEC. 6. A majority of all the existing members of the Governing Committee shall be necessary to constitute a quorum.

**Adjourned meetings.**

SEC. 7. Any hearing or trial may be adjourned, from time to time, by the Governing Committee in its discretion; but no member thereof, who shall not have been present at every meeting of said Committee at which evidence is taken, or at which an accused member, or a member whose conduct is involved in the hearing, is heard, shall participate in the final decision.





SEC. 8. In the absence of both the President and Vice-President, any ten members of the Governing Committee may call a meeting thereof by written announcement from the rostrum.

Special meetings.

SEC. 9. In the case of the temporary absence, or inability to act, of both the President and Vice-President, the Governing Committee may choose an Acting President of the Exchange *pro tem.*

Acting President.

SEC. 10. The Governing Committee shall at its first regular meeting in June of each year, designate counsel for the Exchange; such counsel to be employed at the pleasure of said Committee.

Counsel.

## ARTICLE IV.

### *President.*

SEC. 1. The executive power of the Exchange shall be vested in the President, who shall direct the enforcement of the rules and regulations and have the care of all its interests. He may preside over the Exchange whenever he shall so elect, and shall be the presiding officer of the Governing Committee.

Executive Power of Exchange.

SEC. 2. The President may call special meetings of the Exchange, and of the Governing Committee. He shall call special meetings of the Exchange, upon the written request of one hundred

Special meetings.

members, and special meetings of the Governing Committee, upon the written request of ten members of said Committee.

Committees  
*ad interim.*

SEC. 3. Should special exigencies require, the President may appoint committees *ad interim*, to act until the regular appointments are made.

## ARTICLE V.

### *Vice-President.*

SEC. 1. The Governing Committee, at its first meeting after every annual election, shall choose from its Members a Vice-President of the Exchange.

Powers and  
duties.

SEC. 2. The Vice-President shall, in the absence of the President, assume all the functions and powers, and discharge all the duties of the President.

## ARTICLE VI.

### *Treasurer.*

Duties.

SEC. 1. It shall be the duty of the Treasurer to receive, and acting under instructions from the Finance Committee, to take charge of and disburse moneys of the Exchange. He shall present to the Governing Committee at its first regular meeting in May of each year a report of the finances of the Exchange for the twelve months





ending April 30 preceding. He shall be a member of the Finance Committee, and a Trustee of the Gratuity Fund.

SEC. 2. In the event of failure, neglect or inability of the Treasurer, for any reason, to execute the duties of his office the Finance Committee shall appoint one of its members, who, together with either the President or Vice-President, shall act as Treasurer *pro tem.*

Treasurer  
*pro tem.*

## ARTICLE VII.

### *Secretary.*

SEC. 1. The Secretary shall be appointed by a majority vote of the Governing Committee and shall hold his position subject to the pleasure of the Governing Committee. It shall be the duty of the Secretary to record in a book of minutes the proceedings of the Exchange and take charge of the books and papers of the association. He shall be the Secretary of the Governing Committee and of the Standing Committees. He shall conduct the correspondence of the Exchange and shall keep a ledger containing the names of all the members, with dates of their admission and transfer of membership. He shall be the accountant of the Exchange, and shall perform such other duties as the Governing Committee may direct.

Duties.

## ARTICLE VIII.

### *Assistant Secretary.*

**Assistant  
Secretary.**

SEC. 1. The Governing Committee may appoint an Assistant Secretary, who shall hold his position subject to the pleasure of said Committee. He shall assist the Secretary in the performance of his duties, and in the absence of the Secretary shall discharge all the duties of the Secretary. He shall perform such other duties as the Governing Committee may direct.

**Secretary  
pro tem.**

SEC. 2. In case of the temporary absence, or inability to act, of both the Secretary and Assistant Secretary, the Governing Committee may appoint an Acting Secretary of the Exchange, pro tem.

## ARTICLE IX.

### *Elections.*

**Elections.**

SEC. 1. The annual election of the Exchange shall be held on the second Monday of May; at which time there shall be elected by ballot a President, and a Treasurer, each for the term of one year; a Trustee of the Gratuity Fund for the term of five years; and ten Members of the





Governing Committee for the term of four years; also members to fill any vacancies which may have occurred during the preceding year either in the Trustees of the Gratuity Fund or in the Governing Committee.

In each case the member receiving the highest number of votes for any office or position shall be declared elected thereto.

SEC. 2. An annual election of the Exchange shall also be held on the second Monday in January, at which time there shall be elected by ballot a Nominating Committee to consist of five members (not officers of the Exchange) who shall serve for a period of one year. Any vacancy during said term shall be filled by the remaining members. The Nominating Committee shall hold at least three meetings in the month of March, due notice of which shall be posted on the bulletin board, and sent to each member of the Exchange, inviting members of the Exchange to attend said meetings for the purpose of suggesting nominees for the offices and positions which are to be filled at the annual election on the second Monday in May following. Said Committee shall report to the Exchange on the second Monday in April, nominees for such offices and positions.

Nominating Committee.

The Nominating Committee shall also hold at least three meetings in the month of November, due notice of which shall be posted on the bulletin board, and sent to each member of the Exchange, inviting members of the Exchange to attend said meetings for the purpose of suggesting nominees for the Nominating Committee for the ensuing year. Said Committee shall report to the Secretary of the Exchange at or before two o'clock P.M. on the third Monday in December, nominations for a Nominating Committee to be balloted for at said annual election on the second Monday in January following.

Nomination  
for members of  
the Nominat-  
ing Committee  
by petition

In addition to the above method, members of the Exchange at large may propose nominees for members of the Nominating Committee *by petition*; a nominee thus nominated must be endorsed by not less than forty members of the Exchange and no member shall endorse more than one nominee. Such petitions shall be filed with the Secretary of the Exchange in sealed envelopes at or before two o'clock P.M. on the third Monday in December. The Nominating Committee and the Secretary of the Exchange shall open said envelopes on said day and the names of the nominees therein proposed shall be arranged alphabetically with those of the five





nominees of the Nominating Committee and reported to the Exchange on the following day. The five nominees in this combined list receiving the highest number of votes at the annual election on the second Monday in January, shall constitute the Nominating Committee for the ensuing year. In case of a tie the names of the members involved shall be referred to the retiring Nominating Committee who shall make selection by lot.

SEC. 3. Any member of the Exchange, in good standing, shall be entitled to vote at any election or meeting of the Exchange.

Right to vote.

SEC. 4. When the Exchange shall be assembled for the transaction of business other than dealing in securities, a majority of all the members shall constitute a quorum.

Quorum.

## ARTICLE X.

### *Eligibility—Vacancy in Office.*

SEC. 1. No person shall be eligible to the office of President, Treasurer, Trustee of the Gratuity Fund, or Member of the Governing Committee, who shall not be, at the time of his election, a member in good standing.

Eligibility to office or position.

SEC. 2. The expulsion, suspension or transfer of membership of a member holding any office or

Vacancy by suspension, expulsion, etc.

position, to which he has been either elected or appointed, shall create a vacancy therein which shall be filled as provided in these rules.

Removal of  
officers.

SEC. 3. In the event of the refusal, failure, neglect or inability, of an officer of the Exchange, to discharge the duties of his office, or for any good cause, of the sufficiency of which the Governing Committee shall be the sole judge, said Committee shall have power, by a two-thirds vote of all its existing members, to remove said officer and declare the position held by him to be vacant.

Filling va-  
cancies by  
election.

SEC. 4. In case a vacancy shall occur in the office either of President or Treasurer, a new election by ballot shall be held forthwith to fill such vacancy for the unexpired term.

Filling va-  
cancies by  
appointment.

SEC. 5. In case of vacancy in the office of Vice-President, the same shall be filled by the Governing Committee at its next meeting after the vacancy occurs.

Removal of  
appointees.

SEC. 6. Every appointee, clerk or employee of the Exchange shall hold his office, place or position only during the pleasure of the authority by which he was appointed; and he may be, at any time, removed, dismissed or discharged by a majority vote of the Committee by which he was appointed, or by a like vote of the Governing Committee.





## ARTICLE XI.

*Standing Committees.*

SEC. 1. Promptly after each annual election, the Governing Committee shall appoint from its Members the following Standing Committees:

Standing Committees.

*First.*—A Committee of Arrangements, to consist of seven members. It shall have the general care and supervision of the Exchange, enforce all rules and regulations necessary to the conduct of business, to good order and the comfort of the members, and consider all complaints of violation of said rules. It shall control and regulate the quotation service and all telegraph or telephone connection with the Exchange. It shall, except as herein otherwise expressly provided, appoint, dismiss and determine the number, duty and pay of, all employes, and provide all supplies for the Exchange and make all necessary repairs to its building.

Committee of Arrangements.

*Second.*—A Committee on Admissions, to consist of fifteen members. All applications for membership, and all applications of suspended members for reinstatement to their privileges, shall be referred to this Committee.

Duties.

Committee on Admissions.

The affirmative vote of two-thirds of the entire Committee shall be necessary to elect to membership, or to reinstate a suspended member.

Duties.

Application  
for re-ad-  
mission, etc.

No application for readmission of a person who has ceased to be a member of the Exchange through violation of its Constitution, or for the reinstatement of a member who has been suspended under Sec. 2, Article XVI shall be considered by this Committee, unless said person has obtained the consent of two-thirds of the members of the Governing Committee present, when such application is considered.

Arbitration  
Committee.

Duties.

Appeals.

*Third.*—An Arbitration Committee to consist of nine members. It shall investigate and decide, when properly brought before it, all claims and matters of difference, arising from contracts subject to the rules of the Exchange, between members of the Exchange, or at the instance of a non-member between members and non-members. The Committee may dismiss any case and refer the parties to their remedies at law, and it shall so refer them upon the joint request of the contestants. The decision of this Committee shall be final in all cases, unless an appeal be taken by a member of the Committee as in these rules provided, or in cases involving a sum of \$2,500 or over, when either party may appeal within ten days to the Governing Committee; said appeal shall be submitted to the Governing Committee by the Secretary of the Exchange,





upon a printed transcript of the records of the case, together with such printed arguments as the parties to the appeal may desire to make; upon such appeal, the Governing Committee may finally adjudicate the case, relegate the parties to their remedies at law, or direct a rehearing by the Arbitration Committee.

A non-member making a claim shall execute an agreement to abide by the rules of the Exchange, and also a full release of said claim, and shall deliver them to the Chairman of the Arbitration Committee, who shall keep them in trust to abide the result of said arbitration and deliver them to the defendant in any of the following cases:

Claims by  
non-members.

(a) In case the plaintiff shall fail to appear before the Arbitration Committee within such time as said Committee shall designate.

Release to be  
delivered to  
defendant.

(b) In case judgment shall be rendered for said defendant by the Arbitration Committee.

(c) In case the defendant shall pay, or offer to pay, to the claimant the amount of judgment rendered in his favor, and shall have filed with the Chairman satisfactory evidence of such payment or proffered payment.

In case judgment shall be rendered against any member of the Exchange, which he neglects

Release to be  
delivered to  
plaintiff.

to pay, or if the case be dismissed, then such release shall be canceled and returned to the plaintiff.

*Fourth.*—A Committee on Business Conduct, to consist of five Members.

It shall be the duty of this Committee to consider matters relating to the business conduct of members with respect to customers' accounts.

It shall also be the duty of this Committee to keep in touch with the course of prices of securities listed on the Exchange, with the view of determining when improper transactions are being resorted to.

It shall have power to examine into the dealings of any members, with respect to the above subjects, and report its findings to the Governing Committee.

*Fifth.*—A Committee on Clearing-House to consist of five members. It shall have general charge of the Clearing-House of the Exchange and the business thereof, and shall from time to time designate the securities to be cleared. It may determine the amount of salary or compensation to be paid to officers and employes of the Clearing-House and make expenditures from its funds for the conduct of its business. It shall

Committee  
on Business  
Conduct.

Committee  
on Clearing-  
House.





make monthly financial reports to the Finance Committee.

*Sixth.*—A Committee on Commissions to consist of five members. It shall enforce the rules relating to commissions, partnerships and branch offices, and shall report to the Governing Committee any undesirable partnership or branch office or any violation of said rules.

Committee  
on Com-  
missions.

*Seventh.*—A Committee on Constitution to consist of five members, to which shall be referred all additions, alterations, or amendments to the Constitution. It shall report them back to the Governing Committee, but only at regular meetings or at special meetings called solely for the purpose of considering them.

Committee  
on Con-  
stitution.

*Eighth.*—A Finance Committee to consist of seven members. It shall meet prior to the first regular meeting of the Governing Committee in each month and examine the various accounts and vouchers; and, acting as a Board of Audit, the Committee shall report its examination to the Governing Committee. It shall also make examinations of the condition of the Gratuity Fund as provided in Article XIX hereof.

Finance  
Committee.

*Ninth.*—A Committee on Insolvencies to consist of three members selected from the Com-

Committee  
on Insol-  
vencies.

mittee on Admissions. It shall investigate every case of insolvency immediately after the announcement thereof to the Exchange. It shall ascertain the cause of failure and promptly report the result of its examination to the Committee on Admissions.

Law Committee.

*Tenth.*—A Law Committee to consist of five members, to which shall be referred all questions of law affecting the interests of the Exchange.

It shall act in an advisory capacity to the President when requested, shall represent the Exchange in conferences with other interests, and is authorized and empowered, whenever the Committee shall deem it to be for the interest of the Exchange, to examine into the dealings of any member of the Exchange.

Committee on Securities.

*Eleventh.*—A Committee on Securities to consist of five members. It shall make rules defining the requirements for regularity in delivery of securities dealt in at the Exchange; and decide all questions relating to the settlement of contracts subject to the rules of the Exchange, of due bills, of irregularities in securities, or in deliveries thereof, and all questions relating to reclamations therefor.





*Twelfth.*—A Committee on Stock-List to consist of five members. It shall receive and consider all applications for placing securities upon the list of the Exchange, and make report and recommendation thereon to the Governing Committee, giving full statement concerning organization, capitalization, resources and indebtedness.

Committee  
on Stock-List.

Listings.

It shall have power to place upon the list, without report and recommendation to the Governing Committee, any obligations of the Government of the United States or of any State or City thereof, or of a foreign State or City, also temporary receipts issued by any corporation or firm for part or full payment of subscription to bonds, stocks, or other obligations; and it shall have power to direct that any such securities or temporary receipts be taken from the list, and further dealings therein prohibited.

Government  
and other  
securities.

Subscription  
receipts.

Removals  
from list.

It shall have charge of the arrangement and revision of the list of securities.

SEC. 2. The Standing Committees of the Exchange, and all Special Committees, shall determine the manner and form by which their proceedings shall be conducted; shall make such regulations for their government as they shall deem proper,

Powers of  
Standing  
and Special  
Committees.

**Vacancies.**

and may fill any vacancies occurring in their membership, subject always to the control and supervision of the Governing Committee.

**Quorum.**

SEC. 3. A majority of the members of any Committee shall be necessary to constitute a quorum.

## ARTICLE XII.

***Appeals.*****Appeals  
made by  
members.**

SEC. 1. An appeal to the Governing Committee, from any decision of a Standing Committee may be taken by a member of the Exchange, interested therein, if made in writing to the President within two days after said decision has been rendered; but nothing herein contained shall authorize an appeal from a decision of the Committee on Admissions, except as provided in Section 4, Article XVI of these Rules, nor from a decision of the Arbitration Committee, except as provided in the third sub-division of Section 1, Article XI, of these Rules.

**Appeal by  
member of  
Committee.**

SEC. 2. A member of a Standing Committee, present at the hearing of a case, may, within two days after a decision has been made thereon, appeal therefrom to the Governing Committee by writing, addressed to the President.





## ARTICLE XIII.

### *Applications for Membership—Eligibility— Initiation Fee.*

SEC. 1. Every applicant for membership must be at least twenty-one years of age, and a citizen of the United States.

Application  
for mem-  
bership.

SEC. 2. The membership of the Exchange shall not be increased except by action of the Governing Committee, which shall prescribe the number of increase and the terms of admission. Such action shall be submitted to the Exchange on the same conditions as those prescribed for amendments to the Constitution.

Member-  
ship, how  
increased.

SEC. 3. Members admitted by transfer shall pay to the Exchange an initiation fee of Two Thousand Dollars.

Initiation  
fee.

SEC. 4. If the initiation fee of an applicant for admission to membership is not paid on the day of his election and notification by the Secretary, such election shall be void.

Initiation  
fee, when  
payable.

SEC. 5. No person, elected to membership, shall be admitted to the privileges thereof until he shall have signed the Constitution of the Exchange. By such signature he pledges himself to abide by the same and by all subsequent amendments thereto.

Members  
to sign Con-  
stitution.

## ARTICLE XIV.

### *Dues and Fines—Penalty for Non-Payment.*

**Dues and fines.**

SEC. 1. The dues of all members of the Exchange shall be payable on May 1st and November 1st of each year, and shall be fifty dollars semi-annually, exclusive of fines, and of assessments under Article XVIII of the Constitution.

**Penalty for non-payment.**

SEC. 2. Any member who shall neglect to pay his fines, dues or any assessment for the Gratuity Fund for three months after they become payable, shall be reported by the Treasurer to the President, who shall, after due notice to the delinquent, suspend said delinquent until said dues are paid.

If the fines, dues or assessments of any suspended member, are not paid at the end of one year after they become payable, the membership of said suspended member may be disposed of by the Committee on Admissions.

## ARTICLE XV.

### *Transfer of Membership.*

**Transfer of membership.**

SEC. 1. A transfer of membership may be made upon submission of the name of the candidate to the Committee on Admissions, and the approval of the transfer by two-thirds of the entire Committee. Notice of the proposed transfer





shall be posted on the bulletin in the Exchange for at least ten days prior to transfer.

SEC. 2. All contracts subject to the rules of the Exchange, made by a member proposing to transfer his membership, shall mature on the tenth day of the posting of notice of the proposed transfer; and said member shall not be permitted, thereafter, to make any contracts subject to the rules of the Exchange, pending the approval of the proposed transfer by the Committee on Admissions.

Maturity of contracts.

This rule shall also apply in cases where a membership is disposed of by the Committee on Admissions.

SEC. 3. Upon any transfer of membership, whether made by a member voluntarily, or by the Governing Committee or the Committee on Admissions in pursuance of the provisions of the Constitution, the proceeds thereof shall be applied to the following purposes and in the following order of priority, viz.:

Disposition of proceeds of membership.

*First*—The payment of all fines, dues, assessments and charges of the Exchange, or any department thereof, against a member whose membership is transferred.

Dues to Exchange.

**Claims of  
members.**

*Second.*—The payment of creditors, members of the Exchange, or firms registered thereon, of all filed claims arising from contracts subject to the rules of the Exchange, if, and to the extent that, the same shall be allowed by the Committee on Admissions. If said proceeds shall be insufficient to pay said claims, as so allowed, in full, the same shall be applied to the payment thereof *pro rata*.

**Surplus  
if any.**

*Third.*—The surplus, if any, of said proceeds shall be paid to the person whose membership is transferred, or to his legal representatives, upon the execution by him or them of a release or releases satisfactory to the Committee on Admissions.

The Committee on Admissions shall have power, by rule or otherwise, to secure the observance of the provisions of this Article.

**Unmatured  
debts.**

SEC. 4. All unmatured debts or other obligations of a member, arising out of contracts subject to the rules of the Exchange, shall become due and payable immediately prior to the transfer of his membership; and all claims filed with the Committee on Admissions, founded upon contracts subject to the rules of the Exchange, shall, if, and to the extent that the same are allowed by said Committee, be liquidated, and paid, *pro rata*,





out of the proceeds of said membership upon consummation of the transfer.

SEC. 5. A member shall forfeit all right to share in the proceeds of a membership, unless he file a statement of his claim with the Committee on Admissions prior to the transfer of such membership; but such claim, as allowed by the Committee on Admissions, may be paid out of any surplus remaining after all other claims, allowed by said Committee, have been paid in full.

Failure to file claim.

SEC. 6. Claims growing out of transactions between partners, who are members of the Exchange, shall not share in the proceeds of the membership of one of such partners, until after all other claims, as allowed by the Committee on Admissions, have been paid in full.

Claims of partners.

SEC. 7. When a member dies, his membership may be disposed of by the Committee on Admissions.

Deceased member.

SEC. 8. When a member is expelled, or becomes ineligible for reinstatement, his membership may be disposed of forthwith by the Committee on Admissions.

Expelled member.

SEC. 9. The expulsion or suspension of a member shall not affect the rights of creditors, members of the Exchange or of firms registered thereon.

Rights of creditors.

Rights after  
transfer of  
membership  
or death of  
creditor  
member.

SEC. 10. When a member is in debt to another member, the death of the creditor member or the transfer of his membership, either by himself voluntarily, or by the Governing Committee, or the Committee on Admissions, shall not affect the rights of said creditor member, his firm, or estate, to share in the proceeds of the membership of the debtor member under this Article, in the same manner and to the same extent as if such creditor member had not died or his membership had not been transferred.

## ARTICLE XVI.

### *Insolvent Members—Suspension—Reinstatement.*

Insolvency  
and sus-  
pension.

Announce-  
ment.

SEC. 1. A member who fails to comply with his contracts, or is insolvent, or who is a partner in a firm, registered upon the Exchange, which fails to comply with its contracts, or is insolvent, shall immediately inform the President, in writing, that he or his firm, is unable to meet their engagements, and prompt notice thereof shall be given to the Exchange. He shall thereby become suspended from membership until, after having settled with his creditors, or the creditors of his firm, he has been reinstated by the Committee on Admissions.





SEC. 2. Whenever the President shall ascertain that a member has failed to meet his engagements, or is insolvent, or that a firm registered upon the Exchange has failed to meet its engagements, or is insolvent, and that such member, or such firm, has neglected to comply with the requirements of the preceding section, he shall announce to the Exchange the insolvency and suspension of such member or such firm.

Suspension  
by President  
on failure  
to make  
announcement.

SEC. 3. If a member, suspended under this Article, fails to settle with his creditors and apply for reinstatement, within one year from the time of his suspension, his membership shall be disposed of by the Committee on Admissions.

Time of  
settlement.

The Governing Committee may, by a two-thirds vote of the members present, extend the time of settlement for periods not exceeding one year each. At the expiration of the time granted, the membership of said suspended member shall be disposed of as above provided.

Extension  
of time.

SEC. 4. When a suspended member applies for reinstatement he shall furnish to the Chairman of the Committee on Admissions a list of his creditors, a statement of the amounts originally owing, and the nature of the settlement in each case. Notice of the proposed consideration of the

Reinstate-  
ment.

application shall be given through the Secretary of the Exchange on three consecutive days, and said notice shall also be posted upon the bulletin.

**Balloting.** Upon the applicant presenting satisfactory proof of settlement with all his creditors, the Committee shall proceed to ballot for him in accordance with its rules and regulations. Failing to receive the approving vote of two-thirds of the entire Committee, the applicant shall be entitled to be balloted for at any five subsequent regular meetings of the Committee, to be designated by himself: provided however, that the six ballottings to which the applicant shall be entitled shall be within one year from the date of his suspension, or within such further extended time for settlement as may have been granted by the Governing Committee.

**Appeal to Governing Committee.**

If on the sixth ballot the applicant be rejected, he may appeal within ten days thereafter to the Governing Committee, who may by an affirmative vote of not less than twenty-five of its members reinstate the applicant.

**Forfeit of membership.**

If he fails to make applications to the Committee on Admissions, to be balloted for as above provided, or if rejected by the Governing Committee, his membership shall be disposed of by the Committee on Admissions.





SEC. 5. Whenever the Governing Committee shall determine, upon the report of the Committee on Admissions, that the failure of a member or of a firm registered upon the Exchange, has been caused by reckless or unbusinesslike dealing, said member, or the partner or partners in such firm who are members of the Exchange may, by a two-thirds vote of the existing members of the Governing Committee, be declared ineligible for reinstatement.

Failure due to unbusinesslike dealing.

SEC. 6. Every suspended member shall file with the Secretary of the Exchange, within thirty days after his suspension, a written statement containing a complete list of his creditors and of the amount owing to each.

File list of creditors.

## ARTICLE XVII.

### *Expulsion and Suspension from Membership.*

SEC. 1. Unless otherwise specially provided, the penalty of suspension from membership may be inflicted, and the period of suspension determined, by the vote of a majority of the existing members of the Governing Committee; and the penalty of expulsion from membership or of ineligibility of a suspended member for readmission may be inflicted by the vote of two-thirds of the existing members of said Committee.

Suspension or expulsion; how inflicted.

Fraud or  
fraudulent  
acts.

SEC. 2. A member who shall be adjudged, by a two-thirds vote of all the existing members of the Governing Committee, to be guilty of fraud or of fraudulent acts, shall be expelled and the President shall so declare; public announcement of the expulsion shall be made to the Exchange and the membership shall be forthwith disposed of by the Committee on Admissions.

Misstate-  
ments to  
Committee  
on Admis-  
sions.

SEC. 3. Whenever it shall appear to a majority of the Committee on Admissions that a misstatement upon a material point has been made to it by a member, upon his application either for membership or reinstatement or extension of time, it shall report the case to the Governing Committee, who by a two-thirds vote of all the existing members of the Committee may expel the member.

Connection  
with other  
Exchanges.

SEC. 4. Any member, who shall be connected directly, or by a partner, or otherwise, with any organization in the City of New York which permits dealings in any securities or other property, admitted to dealing in any department of this Exchange, shall be liable to suspension for a period not exceeding one year, or to expulsion, as the Governing Committee may determine.

SEC. 5. A member making a transaction with a non-member in the rooms of the Exchange,





either purchase, sale or loan, in any security or property admitted to dealings in any department of the Exchange, or in money, shall be subject to suspension for such period not exceeding one year as the Governing Committee may deem proper.

Dealing  
with non-  
members.

SEC. 6. A member who shall have been adjudged, by a majority vote of all the existing members of the Governing Committee, guilty of wilful violation of the Constitution of the Exchange, or of any resolution of the Governing Committee regulating the conduct or business of members, or of any conduct or proceeding inconsistent with just and equitable principles of trade, may be suspended or expelled as the said Committee may determine, unless some other penalty is expressly provided for such offense.

Violation of  
Constitu-  
tion, or of  
resolution  
of Governing  
Committee,  
etc.

SEC. 7. The Governing Committee may, by a two-thirds vote of its members present, require that a member of the Exchange shall submit to the Governing Committee or any Standing or Special Committee, for examination, such portion of his books or papers as are material and relevant to any matter under investigation by said Committee or by any Standing or Special Committee. Any member who shall refuse or neglect to comply with such requirement, or shall

Production  
of required  
evidence.

Refusal to testify.

wilfully destroy any such required evidence, or who, being duly summoned, shall refuse or neglect to appear before the Governing Committee or any Standing or Special Committee, as a witness, or refuse to testify before any such Committee, may be adjudged guilty of an act detrimental to the interest or welfare of the Exchange.

Acts detrimental to welfare of the Exchange.

SEC. 8. The Governing Committee may, by a vote of a majority of all its existing members, suspend from the Exchange for a period not exceeding one year, any member who may be adjudged guilty of any act which may be determined by said Committee to be detrimental to the interest or welfare of the Exchange.

Accusations or charges—form of.

SEC. 9. An accusation, charging a member before the Governing Committee with having committed an offense, or having violated the laws or regulations of the Exchange, shall be in writing; it shall specify the charge or charges against such member with reasonable detail, and shall be signed by the person or persons making the charge or charges. A copy of such charge or charges shall be served upon the accused member either personally, or by leaving the same at his office address during business hours, or by mailing it to him at his place of residence. He shall have ten days

Service on accused.





from the date of such service to answer the same, or such further time as the Governing Committee in its discretion may deem proper. The answer shall be in writing, signed by the accused member, and filed with the Secretary of the Exchange. Upon the answer being filed, or if the accused shall refuse or neglect to make answer as hereinbefore required, the Governing Committee shall, at a regular or special meeting thereafter, proceed to consider the charge or charges; if such meeting be a special meeting, notice of the object thereof shall be sent to the members of the Committee. Notice of such meeting shall be sent to the accused; he shall be entitled to be personally present thereat, and shall be permitted in person to examine and cross-examine all the witnesses produced before the Committee, and also to present such testimony, defense or explanation as he may deem proper. After hearing all the witnesses and the member accused, if he desires to be heard, the Governing Committee shall determine whether said member is guilty of the offense or offenses charged. If it determines that the accused is guilty, the Governing Committee shall expel such member, or may suspend him, as the case may be; the result shall be announced to the Exchange by the President, and a written notice thereof served upon said member in the manner hereinbefore

Answer to charges.

Consideration of accusation.

Procedure.

No appeal.

Minor offenses.  
Summary proceedings.

Suspended members  
deprived of  
privileges.

Professional  
Counsel  
excluded.

provided. The finding of the Governing Committee shall be final and conclusive.

SEC. 10. Should a member be accused before the Governing Committee of misconduct, or of having committed an offense the penalty for which is limited to suspension for a period not exceeding sixty days, said Committee may proceed summarily, and the method of procedure required by the preceding Section shall not apply. The accused shall be summoned before the Committee, informed of the nature of the accusation against him and afforded an opportunity for explanation by personal or other testimony. If the Committee shall determine by a majority vote of all its existing members that the accused is guilty, it may, by a similar vote, suspend him from membership for such period as the Constitution provides.

SEC. 11. Whenever a member is suspended by the Governing Committee, announcement thereof shall be made to the Exchange, and such member shall be deprived during the term of his suspension of all rights and privileges of membership, except those pertaining to the Gratuity Fund.

SEC. 12. No member of the Exchange shall be allowed to be represented by professional counsel in any investigation or hearing before the Governing Committee or any Standing or Special Committee.





## THE GRATUITY FUND AND ITS TRUSTEES.

### ARTICLE XVIII.

#### *The Gratuity Fund.*

Every member of the Exchange shall be subject to the conditions and entitled to partake of the benefits of the plan providing for the families of deceased members as hereinafter set forth.

Declaration

SEC. 1. Every person who shall become a member of the Exchange shall pay to the Trustees of the Gratuity Fund the sum of Ten dollars before he shall be admitted to the privilege of membership.

Benefits.

Original assessment.

SEC. 2. Upon the death of a member of the Exchange there shall be levied and assessed against every other member the sum of Ten dollars, which shall thereupon become a due from him to the Exchange, and which shall be charged and collected as other dues and fines are or may be then charged and collected.

Assessment for deaths.

SEC. 3. Assessments under the provisions of this Article shall be made equally against all members, either living or deceased, until the date of the transfer of their memberships.

Assessments equally made.



Amount of  
gratuity.

SEC. 4. The faith of the Exchange is hereby pledged to pay, within one year after proof of death of any member, out of the money collected under the provisions of this Article, the sum of Ten thousand dollars, or so much thereof as may have been collected, to the persons named in the next Section, as therein provided, which money shall be paid as a *gratuity* from the other members of the Exchange, free from all debts, charges or demands whatever.

Distribution  
to bene-  
ficiaries.

SEC. 5. Should the member die leaving a widow and no descendant, then the whole sum shall be paid to such widow for her own use.

Should the member die leaving a widow and descendants, then one-half shall be paid to the widow for her separate use and one-half to the children for their use, share and share alike, provided that the share of minor children shall be paid to their guardian, and that the issue of any deceased child shall be entitled to receive the share which said child would have received if living, if of age directly, or if minors, through his, her or their guardian or guardians.

Should the member die leaving descendants and no widow, then the whole sum shall be paid to the children as directed in the preceding paragraph to





be done with the moiety; but no adopted child shall share in the gratuity if the member leaves a widow or descendants.

Should the member die leaving neither widow nor descendant, but an adopted child or children, then the whole sum shall be paid to such adopted child or children, the issue of any deceased adopted child to take the share which the parent would have taken if living; provided that such adoption shall have been in such manner and form as to be valid under the laws of the State of New York.

Adopted children.

Should the member die leaving neither widow, descendant, adopted child nor issue of a deceased adopted child, then the whole sum shall be paid to the same persons who would, under the laws of the State of New York, take the same by reason of relationship to the deceased member had he owned the same at the time of his death; and if there be no such person, then the assessment levied in such case shall be credited to those members of the Exchange against whom it shall have been charged, in reduction of their payments under this Article.

Collateral beneficiaries.

In all cases a certified copy of the proceedings before a Surrogate or Judge of Probate shall be accepted as proof of the rights of the claimants,

Proof of rights.

be deemed ample authority to the Exchange to pay over the money, shall protect the Exchange in so doing, and shall release the Exchange forever from all further claim or liability whatsoever.

**Limitation  
of liability.**

SEC. 6. Nothing herein contained shall ever be taken or construed as a joint liability of the Exchange or its members for the payment of any sum whatever; the liability of each member, at law or in equity, being limited to the payment of Ten dollars only on the death of any other member, and the liability of the Exchange being limited to the payment of the sum of ten thousand dollars, or such part thereof as may be collected, after it shall have been collected from the members, and not otherwise.

**Gratuity not  
assignable,  
nor part of  
estate.**

SEC. 7. Nothing herein contained shall be construed as constituting any estate *in esse* which can be mortgaged or pledged for the payment of any debts; but it shall be construed as the solemn agreement of every member of the Exchange to make a voluntary gift to the family of each deceased member, and of the Exchange, to the best of its ability, to collect and pay over to such family the said voluntary gift.

SEC. 8. There shall be credited annually to each member of the Exchange, in reduction of





his payments under this Article, his proportion of the surplus income of the Exchange, after setting apart such sum as the Governing Committee shall determine to be necessary for conducting the business of the Exchange.

Reduction  
in amounts  
to be paid  
by members.

Whenever the number of deaths of members of the Exchange shall exceed fifteen in any one year, the Trustees of the Gratuity Fund shall pay over to the Treasurer of the Exchange the net income which has been received as interest on the Fund during said year, less the necessary expenses of management and distribution, and each member of the Exchange shall be credited with his proportion of the amount, in reduction of his payments under this Article.

SEC. 9. The provisions of this Article shall not extend to any member whose connection with the Exchange shall have been severed by the transfer of his membership, whether the same is made voluntarily or involuntarily, nor to any member who now is or hereafter may be expelled by the Governing Committee, but shall extend to suspended members.

Benefits to  
members  
only.

## ARTICLE XIX.

### *The Trustees of the Gratuity Fund.*

SEC. 1. The execution of the provisions of the preceding Article, and the management and

Board of  
Trustees.

distribution of the Fund created thereunder shall be under the charge of a Board of Trustees, to be known as "The Trustees of the Gratuity Fund," and to consist of the President and the Treasurer of the Exchange, and of five other Trustees chosen for the term of five years.

**Vacancies.**

In case of a vacancy occurring among the five chosen Trustees, the Governing Committee, at its next regular meeting thereafter, shall proceed to fill the same until the next annual election of the Exchange.

**Investment  
of funds.**

SEC. 2. It shall be the duty of the Trustees to invest and keep securely invested, in accordance with the laws of the State of New York regulating Trust Funds, all moneys paid to them for the Fund, together with the interest and accretions arising therefrom.

All stock shall be registered in the name of "The Trustees of the Gratuity Fund of the New York Stock Exchange," but without specifying the individual names of such Trustees, and may be disposed of and assigned by any four of said Trustees.

**Organization  
of Board.**

SEC. 3. On the first Monday after the annual election of the Exchange, or as soon thereafter as may be practicable, the Trustees of the Gra-





tuity Fund shall organize by electing a Chairman, and a Secretary and Treasurer of the Gratuity Fund, who shall serve for one year or until their successors shall be chosen. The offices of Secretary and Treasurer may be held by the same person.

SEC. 4. There shall be a regular meeting of the Trustees on the third Monday in each month. The Chairman may call a special meeting at any time; he shall call a meeting at the request of two Trustees. At a meeting four Trustees shall constitute a quorum.

SEC. 5. It shall be the duty of the Chairman to preside at meetings; he shall vote on all questions; he shall, on the Monday preceding the annual election of the Exchange, make a report to the President of the Exchange of the condition of the Fund, with a statement by the Treasurer of receipts and disbursements.

SEC. 6. It shall be the duty of the Secretary to keep regular minutes of the proceedings of the Trustees, and to give notice of meetings.

SEC. 7. It shall be the duty of the Treasurer to receive and sign vouchers for all moneys paid to the Trustees, which he shall deposit in such institutions as they may direct, to his credit as

Meetings  
of Board.

Quorum.

Chairman.

Secretary.

Treasurer.

“Treasurer of the Gratuity Fund of the New York Stock Exchange.”

He shall have the custody of all securities belonging to the Fund, subject to the examination and control of the Trustees.

**Accounts.**

He shall keep, or cause to be kept, proper books of account.

He shall receive and keep a record of all claims for payment under Article XVIII of the Constitution of the Exchange, and present the same to the Trustees for their action; when allowed and approved by the Trustees, he shall pay the same; but no such payment shall be made until directed by the Trustees.

He shall make such investments for the Fund as may be ordered by the Trustees.

His books shall always be open to the inspection of any Trustee, and he shall make to the Chairman an annual statement of receipts and disbursements.

He shall receive out of the Fund such compensation per annum as may be fixed by the Trustees and approved by the Governing Committee of the Exchange.

SEC. 8. In case any person entitled to any gratuity shall be under age and have no guardian

**Gratuities  
to minors.**





entitled to receive payment at the maturity thereof, the Trustees may, in their discretion, deposit such money with the New York Life Insurance and Trust Company or the United States Trust Company, as the property of, and in trust for, such minor; and in like manner if any person apparently entitled to any payment fails to claim, or has disappeared or cannot be found after reasonable inquiry, the Trustees may deposit the presumptive share of such person in either of said Trust Companies to the credit of "The Trustees of the Gratuity Fund of the New York Stock Exchange, in trust," to the end that it may be paid to such person, if afterwards found, or otherwise to the parties who may subsequently establish their right thereto; a similar discretion shall apply in the case of any dispute between claimants for a gratuity or a portion thereof.

Deposits  
in trust.

SEC. 9. The Trustees shall have power at their discretion to consult and employ legal counsel; they shall be authorized to make disbursements out of the Fund to defray necessary expenses, but no such disbursements shall be allowed without a resolution specifying the nature and amount of the same, being entered at large upon the Book of Minutes of the Secretary. Each Trustee shall

Trustees  
may employ  
Counsel and  
make ex-  
penditures.

Fees to  
Trustees.

receive from the Fund five dollars for every meeting at which he shall be present.

Vacancy in office.

SEC. 10. In case of a vacancy occurring in the office of Chairman, or Secretary and Treasurer, the Trustees shall forthwith proceed to fill the same for the unexpired term. In case of the temporary absence or inability to act of either the Chairman, or Secretary and Treasurer, the Trustees shall have power to appoint one of their number to act in his stead *pro tem.*

Examination of the Fund.

SEC. 11. The Governing Committee of the Exchange shall, at all times, have the right to direct the production before it of the securities belonging to the Fund, the Secretary's Book of Minutes and the Treasurer's books of account.

It shall be the duty of the Finance Committee of the Exchange to make an annual examination of the condition of the Fund; and it shall have the right at any time to make such additional examination thereof as it may deem proper.

Removal of Trustees.

SEC. 12. The Governing Committee of the Exchange shall have power to try charges against any Trustee for malfeasance or negligence in office, and by a vote of two-thirds of all its existing members, to suspend him from his functions or to remove him and declare the office vacant.





SEC. 13. It shall be the duty of the Treasurer of the Exchange to pay over, semi-monthly, all assessments collected under Article XVIII of the Constitution, to the Treasurer of the Gratuity Fund.

Payments to  
Treasurer  
of the Fund.

## RULES FOR THE TRANSACTION OR CONDUCT OF BUSINESS.

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### ARTICLE XX.

#### *Hours of Business.*

Hours for  
business.

SEC. 1. The Exchange shall be opened for the entrance of members upon every business day at thirty minutes after nine o'clock a. m.

At ten o'clock official announcement shall be made that the Exchange is open for the transaction of business, and it shall so remain until three o'clock p. m., when it shall be officially announced to be closed. On half-holidays the closing shall be at twelve o'clock, noon.

Closing by  
order of  
Governing  
Committee.

SEC. 2. The Exchange shall not be closed at any time between the hours named in the preceding Section, except by order of the Governing Committee.

Penalty for  
dealing in  
other than  
official hours.

SEC. 3. Dealings upon the Exchange shall be limited to the interval between the hours above named; and a fine of fifty dollars for each offense shall be imposed by the Committee of Arrangements upon any member who shall make any bid, offer or transaction before or after those hours.





Loans of money or securities may be made after the official closing of the Exchange.

SEC. 4. Dealing upon any other Exchange in the City of New York or publicly outside of the Exchange, either directly or indirectly, in securities listed or quoted on the Exchange, is forbidden; any violation of this rule shall be deemed to be an act detrimental to the interest or welfare of the Exchange.

Dealing publicly outside of the Exchange.

## ARTICLE XXI.

### *Calls.*

The appointment and arrangement of Calls of Stocks or Bonds shall be under the control and direction of the Committee of Arrangements.

## ARTICLE XXII.

### *Contracts subject to the rules of the Exchange.*

All contracts of a member of the Exchange, or of a firm having a member of the Exchange as a general partner, with any other member of the Exchange, or with any other firm having a member of the Exchange as a general partner, for the purchase, sale, borrowing, loaning or hypothecation of securities, or for the borrowing, loaning, or payment of money, whether occur-

Contracts subject to the Rules of the Exchange.

ring upon the floor of the Exchange or elsewhere, are contracts subject to the rules of the Exchange.

## ARTICLE XXIII.

### *Bids and Offers.*

Offers binding.

SEC. 1. All bids and offers made and accepted in accordance with these rules shall be binding.

Amount of bid or offer.

SEC. 2. All offers to buy or sell securities shall be for 100 shares of stock or for \$10,000 par value of bonds, unless otherwise stated.

Offers to buy or sell specific amounts, other than as above stated, may be made at the same time and may be independently accepted.

Bids and offers.

SEC. 3. Bids and offers may be made only as follows:

(a) "Cash," *i. e.*, for delivery upon the day of contract;

(b) "Regular Way," *i. e.*, for delivery upon the business day following the contract;

(c) "At three days," *i. e.*, for delivery upon the third day following the contract;

(d) "Buyer's" or "Seller's" options for not less than four days nor more than sixty days.

Bids and offers under each of these specifications may be made simultaneously, as being





essentially different propositions, and may be separately accepted without precedence of one over another.

Bids and offers made without stated conditions shall be considered to be in the "Regular Way."

On transactions for more than three days written contracts shall be exchanged on the day following the transaction, and shall carry interest at the legal rate, unless otherwise agreed; on such contracts one day's notice shall be given, at or before 2.15 p. m., before the securities shall be delivered prior to the maturity of the contract.

On offers to buy "Seller's Option" or to sell "Buyer's Option," the longest option shall have precedence. On offers to buy "Buyer's Option" or to sell "Seller's Option," the shortest option shall have precedence.

SEC. 4. All contracts falling due on holidays or half-holidays observed by the Exchange, shall be settled on the preceding business day, except that when two or more consecutive days are holidays or half-holidays, contracts falling due on other than the first of such days shall be settled on the next business day.

Loans of money or securities made on the day preceding a holiday or half-holiday observed by

Regular way.

Exchange of written contracts.

Precedence of options.

Contracts maturing on holidays or half-holidays.

Loans.

the Exchange, shall mature on the succeeding business day, unless otherwise specified.

**Variation  
in bids.**

SEC. 5. Bids or offers shall not be made at a less variation than one-eighth of one per cent.

**Basis of  
bids or  
offers.**

SEC. 6. Bids and offers shall be made on the basis of a percentage of the par value of the securities dealt in, unless otherwise ordered by the Governing Committee.

**Penalty.**

SEC. 7. Any member violating any of the above provisions of this Article shall be fined by the Committee of Arrangements in an amount not exceeding twenty dollars; for a repetition of the offense, he shall be liable to suspension for a period not exceeding ten days.

**Fictitious  
transac-  
tions.**

SEC. 8. Fictitious transactions are forbidden. Any member violating this rule shall be liable to suspension for a period not exceeding twelve months.

**Privileges to  
receive or  
deliver  
securities.**

SEC. 9. No offers to buy or sell privileges to receive or deliver securities, shall be made publicly at the Exchange, under penalty of a fine of twenty-five dollars for each offense.

## ARTICLE XXIV.

### *Comparisons—Liability on Contracts.*

SEC. 1. It shall be the duty of every member





to report each of his transactions as promptly as possible at his office, where he shall furnish opportunity for prompt comparison.

Duty to report transactions.

SEC. 2. It shall be the duty of the SELLER to compare, or to endeavor to compare, each transaction at the office of the Buyer, not later than one hour after the closing of the Exchange. Nothing in this Article shall be construed to justify a refusal to compare before the closing of the Exchange.

Seller to compare.

SEC. 3. It shall be the duty of the BUYER to investigate, before 10 o'clock a. m., of the day after the purchase, each transaction which has not been compared by the Seller.

Buyer to investigate.

SEC. 4. Neglect of a member to comply with the provisions of Sections 1 or 2 hereof shall render him liable to a fine not exceeding fifty dollars, to be imposed by the Committee of Arrangements.

Penalty.

SEC. 5. Comparison shall be made by an exchange of an original and a duplicate comparison ticket; the party to whom the comparison ticket is presented shall retain the original, if it be correct, and immediately return the duplicate duly signed.

Comparison, how made.

An exchange of Clearing House tickets shall constitute a comparison.

Clearing-House tickets.

**Differences.**

SEC. 6. Should a difference be discovered in an attempt to compare, the exact liability of the disputants shall be promptly established by purchase, sale or mutual agreement.

**Principal  
shall com-  
pare.**

SEC. 7. If an original party to a transaction gives up his principal, the latter shall have the same duties in the matter of comparison as the original party.

**Inviola-  
bility of  
contracts.**

SEC. 8. No comparison or failure to compare, and no notification or acceptance of notification, shall have the effect of creating or of canceling a contract, or of changing the terms thereof, or of releasing the original parties from liability.

**Substitution  
of principal.**

SEC. 9. No party to a contract shall be compelled to accept a substitute principal, unless the name proposed to be substituted shall be declared in making the offer and as a part thereof.

**Clearing-  
House  
orders.**

Orders for the receipt or delivery of securities, issued by the Clearing-House, shall, however, be binding and enforceable upon members or firms using the facilities of the Clearing-House.

**Liability on  
written con-  
tracts.**

SEC. 10. When written contracts shall have been exchanged the signers thereof only are liable.





## ARTICLE XXV.

### *Payment and Delivery.*

SEC. 1. In all deliveries of securities, the party delivering shall have the right to require the purchase money to be paid upon delivery; if delivery is made by transfer, payment may be required at time and place of transfer.

Payment upon delivery.

SEC. 2. The Receiver of shares of stock shall have the option of requiring the delivery to be made either in certificates therefor or by transfer thereof; except that in cases where personal liability attaches to ownership, the Seller shall have the right to make delivery by transfer.

Delivery by certificate or transfer.

The right to require receipt or delivery by transfer shall not obtain while the transfer books are closed.

Personal liability.

Books closed.

SEC. 3. Deliveries of securities on contracts subject to the rules of the Exchange shall in all cases conform to the requirements for regularity which may be made, from time to time, by the Committee on Securities.

Regularity of delivery.

SEC. 4. The Buyer must, not later than two-fifteen o'clock p. m., accept and pay for all, or any portion of a lot of stock contracted for,

Limit for time for payment.

which may be tendered in lots of one hundred shares or multiples thereof; and he may buy in “under the rule” the undelivered portion, in accordance with the provisions of Article XXVIII.

This rule shall also apply to contracts for bonds when tender is made in lots of ten thousand dollars or multiples thereof.

## ARTICLE XXVI.

### *Settlement of Contracts.*

Limit of time for delivery.

Closing “under the rule.”

Damage for default.

Claims for.

SEC. 1. All deliveries of securities must be made before quarter after two o'clock p. m., and when deliveries are not made by that time the contract may be closed “under the rule” in the manner provided in Article XXVIII of these Rules. In the absence of any notice or agreement the contract shall continue without interest until the following business day; but in every case of non-delivery of securities the party in default shall be liable for any damages which may accrue thereby; and all claims for such damages must be made before three o'clock p. m., on the business day following the default.

SEC. 2. The neglect or failure of a member or firm to exchange Clearing-House tickets on a contract, in conformity with the “Rules for





Clearing," shall constitute a default; and such defaulted contract may be closed as provided in Article XXVIII; except that the limit of time for delivery of notice of intention to close such contract shall be ten-thirty o'clock a. m., of the following business day, and the time for closing shall not be before eleven o'clock a. m.

Failure to  
exchange  
Clearing-  
House  
tickets.

SEC. 3. Parties receiving securities shall not deduct, from the purchase price, any damages claimed for non-delivery, except by the consent of the party delivering the same.

Damages  
not to be  
deducted.

SEC. 4. Notice for the return of loans of money, or of securities not admitted to the Clearing-House, must be given before one o'clock p. m. Notice for the return of loans of securities admitted to the Clearing-House must be given before three-thirty o'clock p. m., except on half-holidays observed by the Exchange, when such notice must be given before twelve-thirty o'clock p. m. All such notices shall be considered as in full force until delivery is made.

Notice of  
return of  
loans.

Half-  
holidays.

SEC. 5. On half-holidays observed by the Exchange, securities sold specifically for "Cash" must be delivered and received at or before

Delivery on  
half-  
holiday.

**Closing contracts.**

eleven-thirty o'clock a. m. In case of default the contract may be closed after eleven-forty o'clock a. m. "under the rule," in manner provided in Article XXVIII.

## ARTICLE XXVII.

***Clearing-House.*****Clearing-House.**

SEC. 1. There shall be a Clearing-House for the purpose of acting as the common agent of the members of the Exchange in receiving and delivering such securities as may from time to time be designated by the Committee on Clearing-House.

**Limitation of Liability.**

SEC. 2. Nothing in the conduct of the business of clearing shall attach any liability to the Exchange, or to any member of the Committee on Clearing-House, and delays on the part of the Clearing-House shall not attach any liability to members who are clearing.

**Securities to be cleared.**

SEC. 3. The Committee on Clearing-House shall designate from time to time the securities which shall be cleared, and, in all transactions in such securities, the deliveries shall be made through the Clearing-House, unless otherwise specially stipulated in the bid or offer, or otherwise agreed upon.





SEC. 4. The "Rules for Clearing" and the "Rules for Dealing" adopted by the Governing Committee, and all amendments thereto, shall be binding upon the members of the Exchange equally with the laws included in the Constitution.

Clearing-  
House rules  
binding  
upon mem-  
bers.

Amendments to "Rules for Clearing" or to "Rules for Dealing" may be adopted by a vote of two-thirds of all the existing members of the Governing Committee and need not be submitted to the members of the Exchange for approval.

Amendments  
not to be  
submitted to  
members.

## ARTICLE XXVIII.

### *Closing Contracts "Under the Rule."*

SEC. 1. When the insolvency of a member or firm is announced to the Exchange, members having contracts subject to the rules of the Exchange with the member or firm, shall without unnecessary delay proceed to close the same. If the contracts involve securities admitted to quotation upon the Exchange the closing must be in the Exchange, either officially by the Secretary, or by personal purchase or sale. If the contracts involve securities not dealt in on the Exchange, the purchase or sale of such securities must be promptly made in the best available market.

Closing con-  
tracts of in-  
solvent  
members.

Securities  
not listed.

**Settlement price.**

Should a contract not be closed, as above provided, the price of settlement shall be fixed by the price current at the time when such contract should have been closed under this rule.

**Closing contracts because of non-fulfillment.**

SEC. 2. A contract which has not been fulfilled according to the terms thereof may be officially closed "under the rule" by the Secretary, or by a member of the Committee of Arrangements, as herein provided.

**Notice of intention to close.**

Notice of intention to make such closing of a contract must be delivered, at or before two-thirty o'clock p. m., at the registered office address of the member or firm in default and such contract shall not be closed before two thirty-five o'clock p. m.

**Form of notice.**

SEC. 3. Every notice of intention to close a contract "under the rule," because of non-delivery, shall be in writing; and shall state the name of the member or firm by whom the order is given, also for whose account—all of which shall be announced before closing the contract.

**Liability of succeeding parties.**

The closing of a contract "under the rule," made in conformity with such notice, shall be also for the account and liability of each succeeding party in interest.





SEC. 4. Notice of intention to close a contract "under the rule" may be given upon the entire amount in default or upon any portion thereof, but in this latter case for not less than one hundred shares of stock or ten thousand dollars of bonds.

Whole or portion of a contract may be closed.

SEC. 5. When notice that a contract will be closed "under the rule" is received too late for transmission to other members or firms interested in such contract, within the times stated therefor, the notified member or firm who is unable to so transmit said notice may, immediately after the official closing "under the rule," re-establish such contract by a new purchase or sale in the "regular way;" and any loss arising therefrom shall be a valid claim against the successive party or parties in interest.

Re-establishment of contract closed "under the rule."

Claim for loss.

SEC. 6. When a member has issued a notice of intention to close a contract "under the rule," for default in delivery, he must receive and pay for securities due upon such contract if tendered at his office within five minutes of the official time for closing; or thereafter, if tendered at the rostrum of the Exchange, before the contract has been closed.

Payment after notice of intention to close a contract.

SEC. 7. When a contract has been closed "under the rule," the member or firm who gave

Notification of closing.

the order must give prompt notice of such closing to the member or firm in default.

**Notification to successive parties.**

Notification to successive parties in interest must be transmitted without delay, and claims for damages, arising therefrom, must be made prior to three o'clock p. m. of the business day following the closing of the contract.

**Record of closing and payment of difference.**

SEC. 8. When a contract has been closed "under the rule," there shall be endorsed upon the order therefor the name of the purchaser or seller, the price and the hour at which such contract was closed, and the Secretary shall thereafter ascertain whether the money difference, if any, has been paid. If such difference shall not be paid within twenty-four hours after the closing of the contract, the Secretary shall report such default to the President.

**Failure to fulfill contract "under the rule."**

SEC. 9. When a contract is closed "under the rule," any member or firm accepting the bid or offer, and not complying promptly therewith, shall be liable for any damages resulting therefrom.

**Party in default not to accept bid or offer.**

The member or firm, for whose account a contract is being closed "under the rule," shall not be permitted to accept the bid or offer.





SEC. 10. When a loan of money is not paid at or before two fifteen o'clock p. m. of the day upon which it becomes due, the borrower shall be considered as in default, and the lender may sell "under the rule" the securities pledged therefor, or so much thereof as may be necessary to liquidate the loan, in the manner prescribed in the foregoing Sections of this Article.

Default in payment of money loans.

## ARTICLE XXIX.

### *Irregularities in Securities.*

Reclamation for irregularity in a security, when such irregularity affects only its currency in the market, must be made within ten days from day of delivery of the security.

Reclamation.

## ARTICLE XXX.

### *Disagreement on Terms of Contract.*

When a disagreement arising from a transaction in securities shall be discovered, the money difference shall forthwith be established by purchase or sale "under the rule," or by mutual agreement.

Money difference to be established.

## ARTICLE XXXI.

### *Deposits on Contracts*

SEC. 1. Mutual cash deposits of not exceeding ten per cent. may be required at any time by

**Mutual deposits on contracts.**

either party to a contract. Whenever the margin of either party becomes reduced to five per cent. by reason of changes in the market value of the securities, further deposits may be called, from time to time, sufficient to restore the impaired margin.

**Deposit on due-bills for dividends.**

SEC. 2. The holder of a due-bill issued for the dividend on stock contracted for, may require the maker of the due-bill to deposit the full amount due thereon, in a Trust Company, payable to the joint order of both parties.

**Time for making deposits.**

SEC. 3. When deposits are called before two o'clock p. m., they must be made at or before two-thirty o'clock of the same day; if called after two o'clock p. m. they must be made at or before ten-thirty o'clock a. m. of the following business day.

**Deposits on half-holidays.**

On half-holidays observed by the Exchange, deposits called before eleven o'clock a. m. must be made at or before eleven-thirty o'clock a. m.; if called after eleven o'clock a. m. they must be made at or before ten-thirty o'clock a. m. of the next business day.

**Default in making deposit.**

SEC. 4. Failure of either party to a contract to comply with a demand for a deposit shall constitute a default; and the other party to the contract may report such default to the Secretary or to a member of the Committee of Arrangements,





and instruct him to re-establish the contract forthwith, by a new purchase or sale "under the rule," and any difference arising therefrom shall be paid to the party entitled thereto.

Written notice of intention to re-establish the contract shall be sent to the office of the party in default.

SEC. 5. Unless otherwise mutually agreed, deposits on contracts shall be made in the New York Life Insurance and Trust Company.

Place of deposit.

## ARTICLE XXXII.

### *Dividends—Interest—Premium.*

SEC. 1. On the day of closing of the transfer books of a corporation for a dividend upon its shares all transactions therein for "Cash" shall be "dividend on" up to the time officially designated for the closing of transfers; all transactions on that day other than for "Cash" shall be "ex-dividend."

Closing of transfers for dividends.

Should the closing of transfers occur upon a holiday or half-holiday, observed by the Exchange, transactions on the preceding business day, other than for "Cash," shall be "ex-dividend."

On holidays.

SEC. 2. The buyer shall be entitled to receive all interest, dividends, rights and privileges, ex-

Buyer entitled to dividends, etc.

## Voting power.

cept voting power, which may pertain to the securities contracted for, and for which the transfer books shall close during the pendency of the contract.

## Due bill for dividend.

When such contract shall mature before the official date for payment of interest or dividend, the seller shall deliver a due bill therefor signed or endorsed by him.

## Rights.

When a security is sold before the day of closing books for "Rights" (and is quoted "ex-Rights" on that day), and is delivered thereafter, the buyer shall on its delivery pay only the market price of the security "ex-Rights." He shall pay the balance due on the contract, when the seller delivers the "Rights," at any time on or before the day set by the Committee on Securities for settlement of contracts in "Rights."

When a security is loaned before the day of closing books for "Rights" (and is quoted "ex-Rights" on that day), and is returned thereafter, the lender shall on its return pay only the market price of the security "ex-Rights." He shall pay the balance due on the contract, when the borrower delivers the "Rights," at any time





on or before the day set by the Committee on Securities for settlement of contracts in "Rights."

SEC. 3. A charge of one per cent. may be made for collecting dividends. For scrip or stock dividends the charge shall be computed upon the market value of such scrip or stock.

Charge for collecting dividends.

No charge shall be made for collecting dividends accruing on securities deliverable on a contract.

SEC. 4. Offers to buy or sell dividends shall not be made publicly on the Exchange. The Committee of Arrangements shall impose a fine of twenty-five dollars for each violation of this rule.

Offers to buy dividends.

SEC. 5. When securities are borrowed or loaned the sum agreed upon, either as interest for carrying or as premium for use, shall be paid whether such securities are delivered or not.

Payment of agreed interest or premium.

SEC. 6. When money or securities are loaned at a premium said premium shall apply only to the day for which the loan is made.

Premium for one day only.

### ARTICLE XXXIII.

#### *Transfer and Registry.*

SEC. 1. Corporations whose shares are admitted to dealings upon the Exchange will be re-

**Transfer  
Agent and  
Registrar.**

quired to maintain a Transfer Agency and a Registry office in the City of New York, Borough of Manhattan. Both the Transfer Agency and the Registrar must be acceptable to the Committee on Stock List, and the Registrar must file with the Secretary of the Exchange an agreement to comply with the requirements of the Exchange in regard to registration.

**Increase  
of capital  
stock.**

SEC. 2. When a corporation purposes to increase its authorized capital stock, thirty days' notice of such proposed increase must be officially given to the Exchange, before such increase may be admitted to dealings.

**Convertible  
bonds.**

SEC. 3. When the capital stock of a corporation is increased through conversion of convertible bonds, already listed, the issuing corporation shall give immediate notice to the Exchange and the Committee on Stock List may, thereupon, authorize the registration of such shares and add them to the list.

**Dealings  
suspended.**

SEC. 4. The Governing Committee may suspend dealings in the securities of any corporation previously admitted to quotation upon the Exchange, or it may summarily remove any securities from the list.

# PRINCETON DENTAL GROUP

DONALD A. PICKERING, D.M.D.  
CHARLES B. RICE, D.D.S.  
TAYLOR P. REEDER, 3<sup>rd</sup> D.D.S.  
T. J. MCNEILL, D.D.S.

L. H. SHENDALMAN, D.M.D.  
F. CHARLES WIGHTMAN, D.D.S.

PERIODONTICS

JAMES P. HEIDERE, D.D.S.

TWENTY-TWO CHAMBERS STREET  
PRINCETON, N.J.—TEL. 924-0796

M Carol Scamard

YOUR APPOINTMENT IS:

AT 8:00 ON Thurs May 17 84  
AT \_\_\_\_\_ ON \_\_\_\_\_  
AT \_\_\_\_\_ ON \_\_\_\_\_  
AT \_\_\_\_\_ ON \_\_\_\_\_  
AT \_\_\_\_\_



SEC. 5. After the admission of a security to dealings upon the Exchange no change in the form of certificate, or of the Transfer Agency or the Registrar of Shares, or of the Trustee of Bonds shall be made without the approval of the Committee on Stock List.

Change in  
form of  
certificate,  
etc.

## ARTICLE XXXIV.

### *Commissions.*

SEC. 1. Commissions shall be charged and paid, under all circumstances, upon all purchases or sales of securities dealt in upon the Exchange; and shall be absolutely net, and free from all or any rebate, return, discount or allowance in any shape or manner whatsoever, or by any method or arrangement, direct or indirect; and no bonus, nor any percentage or portion of the commission, shall be given, paid or allowed, directly or indirectly, or as a salary, or portion of a salary, to any clerk or person, for business sought or procured for any member of the Exchange.

Obligation  
to charge  
and collect.

No rebate-  
ment, etc.

No allow-  
ance for  
business  
procured.

SEC. 2. All commissions shall be calculated upon the par value of securities and the rates shall be as follows:

**Rates of commission.**

**To non-members.**

**Joint account.**

**Partners, etc.**

**To members.**

**Mining shares, rights and notes.**

**Exemptions.**

**Rates to firms.**

(a) On business for parties not members of the Exchange, including joint-account transactions in which a non-member is interested, transactions for partners not members of the Exchange, and for firms of which the Exchange member or members are special partners only, the commission shall be not less than one-eighth of one per cent.

(b) On business for members of the Exchange, the commission shall be not less than one-thirty-second of one per cent., except when a principal is given up, in which case the commission shall be not less than one-fiftieth of one per cent.

(c) On Mining Shares, Subscription Rights, and Notes of Corporations, such rates, to members and non-members as may be determined, from time to time, by the Committee on Commissions, with the approval of the Governing Committee.

(d) Government and Municipal Securities are exempted from the provisions of this Article.

SEC. 3. A firm having as a general partner a member of the Exchange, shall be entitled to have its business transacted at the rates of commission hereinbefore prescribed for members. A member of the Exchange cannot confer this privilege upon more than one firm at any one time.





The privileges provided for under this Section can only be conferred upon a *Branch House in this country* when established under the same name as the parent firm and in which the partners and their respective interests are identical with those of the parent firm.

Branch houses.

SEC. 4. A proposition for the transaction of business, at less than the minimum rates of commission herein provided, shall constitute a violation of this Article.

Proposed violation.

SEC. 5. A member suspended by the Governing Committee shall not, during the time of his suspension, be entitled to have his business transacted at member's rates of commission.

Suspended members.

A member who is in suspension by reason of insolvency may have his business transacted at member's rates.

Insolvent members.

SEC. 6. If the Governing Committee shall, by a majority vote of all its existing members, determine that a member of the Exchange has violated the provisions of this Article, it shall suspend such member, for the first offense, for such period not less than one year nor more than five years, as a majority of the members of said Committee present may determine. A member adjudged guilty of a second offense, by a major-

Penalty.

ity vote of all the existing members of the Governing Committee, shall be expelled by a like vote.

### ARTICLE XXXV.

#### *Office Address—Partnerships—Branch Offices.*

**Address of members.**

SEC. 1. Every member shall register with the Secretary an address, and subsequent changes thereof, where notices may be served. The registered address of every member, transacting business upon the Exchange, must be in its vicinity.

**Notice of partnership.**

SEC. 2. When a member shall form a partnership he shall immediately register the same with the Secretary; official announcement thereof shall be made to the Exchange and notice posted upon the bulletin for ten days. Notice of dissolution of partnership must be given in like manner.

SEC. 3. No person shall be eligible to either general or special partnership in more than one registered firm at the same time.

**Eligibility to partnership.**

This law shall not obtain, however, when a member of a registered firm forms a partnership in a foreign country under the same or different name from that of his firm in this country; provided, however, that the firm in said foreign

**Foreign partnerships.**





country shall not derive any benefit from the privileges which attach to members of firms registered at the Stock Exchange.

SEC. 4. A member shall not form a partnership with a suspended member of the Exchange, nor with any person who has been expelled therefrom; nor with any insolvent person, or with any person who may have previously been a member of the Exchange, and against whom any member holds a claim, arising out of transactions made during the time of such membership, and which has not been released, or settled in accordance with the laws of the Exchange.

A member, who is a special partner in a firm, does not thereby confer any of the privileges of the Exchange on such firm.

SEC. 5. A member of the Exchange who is a general partner in a firm represented thereon is liable to the same discipline and penalties for any act or omission of said firm, as if the same were committed by him personally; but the Governing Committee may in its discretion by a vote of not less than thirty members relieve him from the penalty therefor.

SEC. 6. Members may, by the consent and approval of the Committee on Commissions, es-

Stated partnerships forbidden.

Special partner.

General partner.

Branch offices.

tablish Branch Offices. Such offices must be in charge of either a partner, or of a manager or clerk acceptable to said Committee.

**Liability.**

The member or firm establishing a Branch Office shall register it with the Secretary of the Exchange, and shall be directly responsible for the conduct of its business.

**Clerks and employees.**

The managing clerk and all other employes must be paid fixed salaries, not varying with the business.

**Solicitation of business.**

No agents, for the solicitation of business, shall be employed on any other than the foregoing basis.

**Disapproval by Governing Committee.**

SEC. 7. Whenever it shall appear to the Governing Committee that a member has formed a partnership, or established a branch office, or is individually or through any member of his firm, interested in a partnership in a foreign country, whereby the interest or good repute of the Exchange may suffer, the Committee may require the dissolution of such partnership, the discontinuance of the interest in said foreign partnership, or of such branch office, as the case may be.

**Penalty.**

SEC. 8. Any member failing to comply with any requirement of this Article, or with any re-





quirement of the Governing Committee in regard thereto, shall be liable to suspension for a period not exceeding one year.

### ARTICLE XXXVI.

#### *Disorderly Conduct.*

SEC. 1. Indecorous language, or an act subversive of good order and decorum, or serious interference with the personal comfort or safety of another person is forbidden. Any member who shall violate this rule, within the limits of any department of the Exchange, may be fined by the Committee of Arrangements, in a sum not exceeding fifty dollars; or upon complaint made may be summoned before the Governing Committee and suspended for a period not exceeding sixty days.

Disorder,  
etc.

SEC. 2. The Committee of Arrangements may make rules to govern the conduct of members upon the Exchange; it may impose a fine, not exceeding fifty dollars, for each violation thereof, or may report the delinquent to the Governing Committee, who may suspend him for a period not exceeding sixty days.

Rules to  
Govern  
Conduct.

SEC. 3. Betting or offering to bet, upon the

Betting  
Forbidden.

floor of the Exchange, is forbidden. A member violating this rule shall be subject to the penalties prescribed in the preceding Section of this Article.

### ARTICLE XXXVII.

#### *Minutes—Visitors—Communications.*

Minutes.

SEC. 1. Members shall have access to the minutes of the Exchange.

Visitors.

SEC. 2. Visitors shall not be admitted to the floor of the Exchange except by permission of the President or the Committee of Arrangements.

Communications.

SEC. 3. Communications shall not be read to the Exchange without the consent of the President or the Committee of Arrangements.

### ARTICLE XXXVIII.

#### *Alterations of the Constitution.*

Amendment  
of Constitu-  
tion.

The Governing Committee may make additions, alterations or amendments to the Constitution by a majority vote of all its existing members. Every proposed addition, alteration or amendment must be presented, in writing, at a regular meeting of the Governing Committee, and referred to the Committee on Constitution, which shall report thereon at the next regular meeting of the Governing Committee, or at a special meeting





called for the sole purpose of considering it. Action thereon may be postponed to a fixed date by a vote of two-thirds of the members of the Governing Committee present. Such alterations when adopted by the Governing Committee shall be submitted to the Exchange and shall stand as the law of the Exchange, if not disapproved within one week by a majority vote of the entire membership.

See Sec. 4.  
Art. XXVII.

No alteration of Article XVIII shall ever be made which will impair, in any essential particular, the obligation of each member to contribute, as therein provided, to the provision for the families of deceased members.

Amendment  
of Article  
XVIII.

## RESOLUTIONS ADOPTED BY THE GOVERNING COMMITTEE

### *Advertising.*

FEBRUARY 9, 1898.

**Advertisement.**

“That in future the publication of an advertisement of other than a strictly legitimate business character, by a member of the Exchange, shall be deemed an act detrimental to the interest and welfare of the Exchange.”

### *Arbitrage Dealings.*

JANUARY 26, 1898.

**Domestic arbitraging.**

“Whereas, the so-called Arbitrage business or trading between this Exchange and that of any other city in the United States, based upon quotations from the floor of this Exchange, has resulted in practically ignoring the commission law; therefore

**Continuous quotations.**

“Resolved, that in the judgment of this Committee the sending of continuous quotations or quotations at frequent intervals by members of this Exchange, from the floor of the Exchange, is detrimental to the interest and welfare of the Exchange, and that any member engaging in such business or trading, shall be proceeded against





under Section 8 of Article XVII of the Constitution.

“Resolved, that the Committee of Arrangements be and they hereby are authorized and instructed to prevent the transaction of any such business or trading by any member of this Exchange, and to prefer charges against any member engaging therein.”

Penalty.

*Foreign Arbitrage—Joint Accounts.*

APRIL 20, 1911.

(To take effect July 1, 1911.)

“Whereas, The so-called Arbitrage business by means of joint account trading between this Exchange and foreign cities, where each party interested charges a commission or allowance, has resulted in practically nullifying the Commission Law; therefore

Foreign and  
domestic  
joint  
account  
trading.

“Resolved, That any business, domestic or foreign, for the joint account of a member of the Exchange and a non-member, where each party in interest charges a commission or allowance, is hereby prohibited;

“Resolved, That any business, domestic or foreign, conducted under an arrangement of accounts, not joint account in name, but designed

to produce results similar to those of the above described joint account, is hereby prohibited."

*Bids and Offers.*

DECEMBER 14, 1898.

Orders to  
buy and sell  
the same  
security.

"That where parties have orders to buy and orders to sell the same security, said parties must offer said securities, whether it be stock or bonds, at one-eighth per cent. higher than their bid before making transactions with themselves."

*Rules Covering Bids and Offers.*

MARCH 30, 1910.

(Amended May 12, 1911.)

Quotations.

1. That the recognized quotation on stocks shall be public bids and offers on lots of 100 shares.

Any part.

2. All bids and offers on larger lots shall be considered to be for any part thereof in lots of 100 shares or of multiples thereof, whether so stated in the bid or offer or not.

Bid above  
offering  
price.

3. If a bid is made for a larger lot of stock above the price at which smaller lots are offered, or if a transaction is made in a larger lot above the price at which smaller lots are offered, such bidder or buyer shall be compelled to buy any





or all of the smaller lots which were publicly offered at the time, at the lower price, up to the amount of the bid for the larger lot. If the bid for the larger lot is accepted, and the buyer is unwilling to buy more, the seller must give up to the members who were publicly offering to sell at the lower price, such amounts as they were publicly offering to sell at the lower price, if such claim is made immediately.

4. If an offer is made to sell a larger lot of stock below the price which is bid for smaller lots, or if a transaction is made in a larger lot below the price which is bid for smaller lots, such member offering to sell, or the seller, shall be compelled to sell any or all of the smaller lots which were publicly bid for at the time, at the higher price, up to the amount of the offer of the larger lot. If the offer of the larger lot is accepted, and the seller is unwilling to sell more, the buyer must give up to the members who were publicly bidding the higher price, such amounts as they were publicly bidding for, at the higher price, if such claim is made immediately.

5. A member may sell on offer the largest amount bid for without regard to priority of

Offer below  
bidding  
price.

Claims for sales at the offering price, or at bidding price.

bids. Should the offer be of an amount larger than the largest bid, the balance shall go to the next largest bidder in sequence; bids for equal amounts being on a par.

A member may buy on bids under the same rule.

Silent bids and offers not recognized.

6. Attention is directed to the resolution of the Governing Committee adopted October 26, 1892, which reads as follows:

“When a purchase or sale is claimed by a party who states that he had on the floor a prior or better bid or offer such claim shall not be sustained if the bid or offer was not made with the publicity and frequency necessary to make the existence of such bid or offer generally known at the time of the transaction.”

Disputes.

7. Disputes arising from a question as to priority of bid or offer, if not settled by agreement between the members interested, shall be settled by vote of the members knowing of the transaction in question.

Disputes as to the application of rules relating to the transaction in question, if not settled by agreement between the members interested





shall be settled by any member of the Committee of Arrangements.

8. The above rules shall not apply to lots of less than 100 shares, nor to active openings when bids and offers are simultaneous.

Active openings.

*Members Dealing with Themselves—Specialists.*

MARCH 30, 1910.

(To take effect April 4, 1910.)

“Resolved, That any member of the Exchange who, while acting as a broker, either as a “Specialist” or otherwise, shall buy or sell directly or indirectly for his own account, for account of a partner, or for any account in which he has an interest, the securities, the order for the purchase or sale of which has been accepted by him for execution, shall be deemed guilty of conduct or proceeding inconsistent with just and equitable principles of trade, and shall be subject to the penalties provided in Article XVII, Section 6, of the Constitution.

Taking or supplying stock on an order.

“The foregoing rule shall not apply to the act of a member who, by reason of his neglect to execute an order, is compelled to take or to supply on his own account the securities named in the

Exception

order; in such case the member is not acting as a broker and shall not charge a commission.

**Transac-  
tion with  
oneself.**

“A member, acting as a broker, is permitted to report to his principal a transaction as made with himself, only when he has orders both to buy and to sell and not to give up, and then he must add to his name on the report, ‘on order,’ or words to that effect.”

*Bucket-shops.*

MAY 19, 1909.

**Dealing in  
differences  
or quota-  
tions.**

“That any member of this Exchange who is interested in, or associated in business with, or whose office is connected, directly or indirectly, by public or private wire or other method or contrivance with, or who transacts any business directly or indirectly with or for, any organization, firm or individual engaged in the business of dealing in differences or quotations (commonly called a bucket-shop) shall, on conviction thereof, be deemed to have committed an act or acts detrimental to the interest and welfare of this Exchange.”





*Clearing Charges.*

NOVEMBER 23, 1881.

“That in transactions where orders are received from a non-member, wherein the broker filling the order is directed to give up another broker or clearing house, the responsibility of collecting the full commission of 1/8% shall rest with the broker or clearing-house settling the transaction.”

Clearances  
on orders  
from a  
non-  
member.

OCTOBER 24, 1894.

“That in transactions where orders are received from a member, on which a clearing firm is given up by said member or by his order, the responsibility of collecting the full commission of 1/32 of 1% shall rest with said clearing firm; and it shall be the duty of the broker who executes such orders to report the transactions to the clearing firm and render to them and collect his bill therefor at the rate of 1/50 of 1%; and also that where a broker executes an order for a member and clears the security himself, he must charge 1/32 of 1%.”

Clearances  
on orders  
from a  
member.

DECEMBER 28, 1911.

“That hereafter when a member of the Exchange receives and delivers securities for an-

Clearances  
for  
members.

other member, the clearing charge for said service may be a matter of mutual agreement.”

JANUARY 24, 1912.

Clearances  
for  
members.

“That the Governing Committee rules that in the matter of clearing charges between members of the Exchange, said charges shall be based upon a stipulated sum of money for each one hundred shares of stock or ten thousand dollars of bonds, or portions thereof.

The payment of a certain sum of money for any period of time for said service, irrespective of the number of shares or amount of bonds cleared, is forbidden.”

*Clerks in Nominal Positions.*

JANUARY 23, 1901.

Clerks  
procuring  
business.

“That the employment of a clerk or clerks in a nominal position because of the business obtained by such clerk or clerks for their employer, is a violation of the rules;” Articles XXXIV and XXXV of the Constitution.

*Clerks, Speculative Transactions for.*

MARCH 30, 1910.

Speculative  
transac-  
tions for  
clerks.

(To take effect April 4, 1910.)

“That the taking or carrying of a speculative account, or the making of a specula-





tive transaction, in which a clerk of the Exchange, or of a member of the Exchange, or of a bank, trust company, banker or insurance company, is directly or indirectly interested, unless the written consent of the employer has been first obtained, shall be deemed an act detrimental to the interest and welfare of the Exchange.

*Responsibility for Accounts—Fictitious Names, etc.*

“That every member of the Exchange be **Accounts.** required to use due diligence to learn the essential facts relating to every account accepted by himself or by his clerks or representatives, and also relating to the possible use of a name for the account other than that of the party interested.”

*Commissions.*

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*Reciprocal Business.*

APRIL 14, 1897.

“That transacting or offering to transact business in grain, produce, cotton or other commodities, without commission, or for a nominal commission, by any member of this Exchange or firm represented therein, for a customer

Business in  
grain, cot-  
ton, produce  
or other  
commodi-  
ties.

dealing in securities dealt in at the Exchange, is a method or arrangement for rebatement of commissions, and is a violation of the commission law.

“That giving or offering to give reciprocal business in grain, produce, cotton or other commodities dependent upon the amount of Stock Exchange business received is a method or arrangement for rebatement of commissions and is a violation of the commission law.”

*Commission on Mining Shares.*

APRIL 13, 1910.

**Mining  
Shares.**

“That the rates of commission on mining shares shall be based upon selling price, regardless of par value, and shall not be less than the following, for each one hundred shares:

Selling at	For Non- Members.	For Members, if cleared.	For Members, if given up.
\$10 and above,	\$12.50	\$3.12 $\frac{1}{2}$	\$2.00
Below \$10,	6.25	1.56 $\frac{1}{4}$	1.00

*Taking Over or Accepting Transactions.*

APRIL 12, 1911.

**Transac-  
tions made  
outside of  
United  
States.**

“Whenever a non-member of this Exchange shall cause to be executed in any market outside of the United States any order or orders





for the purchase or sale of securities listed on this Exchange, other than Government, State or Municipal securities, and said purchase or sale shall be accepted by a member or a firm who are members of this Exchange, for the account of said non-member, one-eighth of one per cent. commission shall be charged said non-member in addition to any commission charged by the party or parties making the transaction."

*Commission on Government Securities.*

JUNE 12, 1907.

"That the Commission Law, in Subdivision *d*, Section 2, Article XXXIV, of the Constitution, which reads as follows:

Government  
and  
Municipal  
securities.

'Government and Municipal Securities are exempted from the provisions of this article,' refers only to securities of the United States, Porto Rico or the Philippine Islands, and of States and Municipalities therein."

*Bunched Orders.*

JUNE 12, 1912.

The Committee on Commissions reported to the Governing Committee that complaint had been made that a custom prevails upon the Floor of what is called "bunched" orders—that is,

Bunched  
orders.

when one member has 300 shares of stock to sell, another 200 and another 500, they "bunch" the lots, one of said members offering the entire lot of 1,000 shares; if he succeeds in disposing of said lot, it is not the custom for him to charge his associates in the sale any commission.

The Committee on Commissions expressed the opinion that such an arrangement or custom is contrary to the commission law and should not be permitted, and asked the confirmation of said opinion by the Governing Committee.

On motion, said opinion was confirmed.

*Comparisons.*

NOVEMBER 9, 1904.

**Losses  
caused by  
Comparison.**

"That when a mistake in comparison is made, either by a member in person or by his clerks, thereby causing a loss to another member, or when a failure to promptly fulfill the duties imposed by the comparison law causes a loss to another member, the member sustaining the loss may bring a suit before the Arbitration Committee, joining as defendants, if he so elects, any or all of the parties concerned, and the Arbitration Committee may render such verdict against any or all of the defendants as the facts in the case may warrant."





*Interest.*

MARCH 26, 1902.

“That any agreement or arrangement entered into between a member or his firm, and his or their customer, whereby special and unusual rates of interest are stipulated for, or money-advances upon unusual terms are made a condition, in connection with the conducting of an account, with intent thereby to give special or unusual advantages to such customer, for the purpose of securing his business, shall be deemed to be a violation of Article XXXIV of the Constitution, commonly known as the Commission Law.”

Special or unusual rates.

*Money Loans—Interest.*

OCTOBER 25, 1899.

“When a member has contracted to borrow money on collateral, the simple payment of the interest by the borrower to the lender, after three o'clock p. m., without actually effecting or properly endeavoring to effect a loan, shall be held to be an evasion of the contract and an act detrimental to the interest and welfare of the Exchange, and the offending member may be proceeded against under Section 8, Article XVII, of the Constitution.”

Interest paid when loan is not effected.

*Stamp Tax.*

MAY 24, 1905.

“That in the judgment of the Governing Committee any member of the Exchange who, by agreement or otherwise, directly or indirectly, assumes or bears for his own account, or relieves his principal from any part of the Stamp Tax imposed by the Act of the Legislature of the State of New York, approved April 19, 1905, is guilty of a violation of Article XXXIV of the Constitution relating to commissions.

*Failure to Affix Stamps.*

NOVEMBER 9, 1910.

“The Governing Committee calls the attention of members to the following resolution adopted on May 26, 1905:

Sales  
Tickets  
must carry  
stamps.

‘In order to constitute a good delivery after June 1, 1905, all deliveries on sales of stock, whether by Clearing House delivery ticket or by certificate of stock, must be accompanied by a sales ticket stamped in accordance with the Act of the Legislature of the State of New York, adopted April 19, 1905, providing for a Tax on Transfers of Stock.’

“Any wilful failure on the part of a member to affix the stamps required by Article XII of





the Tax Law relating to the Tax on Transfers or Sales of Stock, will be deemed by the Governing Committee an act detrimental to the interest and welfare of the Exchange."

Penalty for non-compliance.

*Purchasing and Cancellation of Stamps.*

OCTOBER 8, 1913.

"That the purchase of Stock Transfer Tax Stamps from other than the agencies authorized by law, or the failure to cancel said stamps when used, as provided by law, will be deemed an act detrimental to the interest and welfare of the Exchange."

Purchasing and Cancellation of Stamps.

*Stock List.*

MARCH 27, 1895.

"Whenever it shall appear to the Committee on Stock List that the outstanding amount of any security listed upon the Stock Exchange has become so reduced as to make inadvisable further dealings therein upon the Exchange, the said Committee may direct that such security shall be taken from the list and further dealings therein prohibited."

Removals from list.

*Telephones.*

NOVEMBER 8, 1911.

**Connection  
with this  
Exchange.**

“That the resolution adopted by the Governing Committee on March 28, 1900, be amended by striking out the words ‘Sec. 8,’ and inserting in lieu thereof the words ‘Sec. 10,’ so that said resolution as amended shall read as follows, viz.:

**At discre-  
tion of  
Committee  
of Arrange-  
ments.**

“Resolved, That the privilege of telephonic communication between the offices of members and the building of the New York Stock Exchange shall not be enjoyed as of right but shall rest in the discretion of the Committee of Arrangements or the Governing Committee, and that the Committee of Arrangements shall have power in their discretion, at any time, and from time to time, to withhold such privilege from any member, and to disconnect, or cause to be disconnected, any private telephone in the Stock Exchange building. Said Committee shall also have power in their discretion, at any time, and from time to time, to deprive any member of the privilege of using any public telephone in the Stock Exchange building; said Committee shall not be obliged to assign any reason or cause for any action taken by them under this resolution.





“Any member aggrieved by any decision of the Committee of Arrangements under this resolution shall have the right to appeal therefrom to the Governing Committee, and to appear in person before the Governing Committee to be heard upon such appeal.

Appeal  
from  
decision.

“No such appeal shall suspend the operation of the decision appealed from.

“Every decision of the Committee of Arrangements by which the privilege of telephonic communication with the Stock Exchange building shall be withheld from any member, pursuant to this resolution, shall be immediately posted upon the bulletin board in the Exchange, and every member of the Exchange shall be deemed to have notice thereof. If after any such notice shall have been posted, any member of the Stock Exchange shall furnish to the member named therein, or to his partner or firm or office any facilities for communication between the office of such member and the Stock Exchange building, or between the office of the member named in such notice and the office of any other member of the Exchange by means of private wire, telephone or any electric or other device, contrivance or apparatus, he may be suspended by the Govern-

Decision  
to be  
bulletined.

Penalties for  
evasion.

ing Committee for a period not exceeding two months, pursuant to the provisions of Sec. 10, Article XVII of the Constitution of the Exchange."

*Telephone or Telegraph Connections.*

MAY 9, 1900.

(To take effect on June 1, 1900.)

Applications  
therefor  
must be  
made and  
approval  
received.

"First.—That hereafter no member of the Stock Exchange and no firm of which such member is a partner, shall establish telephonic or telegraphic wire connection between the office of such member or firm and the office of any firm or individual not a member of the Stock Exchange transacting a banking or brokerage business, unless application therefor shall first be made to the Committee of Arrangements, and shall have been approved by them.

Registry  
thereof.

"Second.—Every such telephonic or telegraphic wire connection which shall be so authorized by the Committee of Arrangements, as well as all existing telephonic or telegraphic wire connections of the same character, shall be registered with the Committee of Arrangements, who shall make such regulations governing the matter as they shall deem necessary.





*“Third.—That the Committee of Arrangements shall have power, at any time, in their discretion, to order any connection of the character described in these resolutions to be discontinued.*

Connections discontinued.

*“Fourth.—While members of the Stock Exchange may connect their offices by wire with the offices of non-members, in accordance with the provisions of these resolutions, and pay for such wire connection, nevertheless no such member shall directly or indirectly, by himself, or through his firm, pay the cost of telegraph operators or any other expense pertaining to non-members' offices.*

Payment of wire expense, but no other.

*“Fifth.—No office in the city of New York of any member of the Stock Exchange, or of any firm of which such member is a partner, shall be connected by telegraphic or telephonic wire with any point outside of the city of New York unless such wire shall be furnished by a telegraph or telephone company approved by the Committee of Arrangements. Said Committee shall from time to time formulate a list of such approved companies.*

Only wires of approved companies to be used.

*“Sixth.—Any member violating any provision of these resolutions, or any regulation made by the Committee of Arrangements in pursuance*

Penalty for non-compliance.

thereof, shall be deemed to be guilty of an act detrimental to the interest and welfare of the Exchange.”

*Privileges.*

FEBRUARY 14, 1912.

“When securities are received or delivered on a privilege for a non-member, one-eighth of one per cent. commission must be charged whether said securities are received or delivered upon the day of expiration of said privilege or prior thereto.”

*Change of Ownership of Securities.*

FEBRUARY 5, 1913.

**Manipula-  
tion.**

“That no Stock Exchange Member, or member of a Stock Exchange firm shall give, or with knowledge execute, orders for the purchase or sale of securities which would involve no change of ownership.

“The punishment for this offense shall be as prescribed in Section 8 of Article XXIII of the Constitution regarding fictitious transactions.”





*Margins—Improper Use of Securities of a Customer—Reckless and Unbusinesslike Dealing.*

FEBRUARY 13, 1913.

“That the acceptance and carrying of an account for a customer, either a member or a non-member, without proper and adequate margin may constitute an act detrimental to the interest and welfare of the Exchange, and the offending member may be proceeded against under Section 8 of Article XVII of the Constitution.

Adequate Margin.

“That the improper use of a customer’s securities by a member or his firm, is an act not in accordance with just and equitable principles of trade, and the offending member shall be subject to the penalties provided in Section 6 of Article XVII of the Constitution.

Improper Use of Securities.

“That reckless or unbusinesslike dealing is contrary to just and equitable principles of trade, and the offending member shall be subject to the penalties provided in Section 6 of Article XVII of the Constitution, in every case in which the offense does not come within the provisions of Section 5 of Article XVI thereof.”

Reckless Dealing.









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